## BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF AXIA ENERGY, LLC FOR AN ORDER ESTABLISHING 40-ACRE (OR SUBSTANTIAL EQUIVALENT) DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE EOCENE MIDDLE AND LOWER GREEN RIVER FORMATIONS UNDERLYING THE THREE RIVERS AREA, COMPRISED OF NUMEROUS LANDS IN TOWNSHIP 7 SOUTH, RANGE 20 EAST, SLM, AND TOWNSHIPS 8 SOUTH, RANGES 20 AND 21 EAST, SLM, UINTAH COUNTY, UTAH, AND AUTHORIZING UP TO TWO (2) WELLS ON EACH SUCH DRILLING UNIT SO ESTABLISHED.

#### NOTICE OF HEARING

Docket No. 2013-030 Cause No. 270-02

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on **WEDNESDAY**, **OCTOBER 23**, **2013**, **at 9:00 AM**, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq. and as provided for in Utah Code Ann. § 40-6-1 et seq. and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to receive testimony and evidence regarding a Request for Agency Action that the Board enter an Order:

1. Establishing 40-acre (quarter-quarter or substantially equivalent lots or combination of lots and/or river bed) drilling units provided the 40 acre drilling unit will allow 2 wells per drilling unit and is therefore a 20 acre equivalent drilling unit, but is so designated to allow for well siting within the drilling unit boundaries for the production of oil, gas and hydrocarbons from the Eocene Middle and Lower Green River formations (the "Subject Formations") from Lands located in the following Uintah County, Utah lands:

# Township 7 South, Range 20 East, SLM

Section 32: NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>, E<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>

Section 33: All

Section 34: All

Section 35: Lots 1 (36.55), 2 (36.94), 3 (42.07) and 4 (42.24), NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>,

 $W^{1/2}NW^{1/4}$ ,  $S^{1/2}$  [All]

Section 36: All

# Township 8 South, Range 20 East, SLM

Section 2: Lots 1 (40.27), 2 (40.47), 3 (40.68), 4 (40.88), 5 (36.76), 6 (20.00), and 7 (0.8),

S½N½, W½SE¼, SW¼, and that portion of the Green River lying therein [All]

Section 3: Lots 1 (40.80), 2 (40.88), 3 (40.96), and 4 (41.04), S½N½, S½ [All]

Section 4: Lots 1 (41.06), 2 (40.90), 3 (40.74), and 4 (40.58), S½N½, S½ [All]

Section 5: Lots 1 (40.48), 2 (40.48), 3 (40.48), 6 (43.78), 7 (27.06), 8 (40.36), 9 (21.26),

and 10 (37.75), S½NE¼, E½SE¼, NW¼SE¼ [All]

Section 6: Lot 2 (1.41)

Section 8: Lots 2 (34.88), 3 (17.89), 4 (40.80), 5 (42.28), and 6 (12.69), E½NE¼,

NE1/4SE1/4 [All]

Section 9: NE<sup>1</sup>/<sub>4</sub>

Section 10: N½

Section 12: N<sup>1</sup>/<sub>2</sub>N<sup>1</sup>/<sub>2</sub>, SE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>

Section 16: Lots 3 (38.00), 4 (28.50), and 5 (10.50), NW¼NW¼, E½W½, E½ [All]

Section 17: Lots 1 (23.00) and 3 (5.98) [All]

# Township 8 South, Range 21 East, SLM

Section 5: Lot 3 (15.72) and that portion of the Green River lying within the NW1/4NW1/4

Section 6: Lot 11 (38.52)

Section 7: Lots 1 (38.86) and 2 (38.97),  $SE^{1/4}NW^{1/4}$ ,  $NE^{1/4}NW^{1/4}$ ,  $NE^{1/4}SW^{1/4}$ ,  $SW^{1/4}SE^{1/4}$ 

Section 18: Lot 3 (38.63), E½NW¼, W½NE¼

(collectively the "Subject Lands"), with the special drilling units identified above established due to the Green River and Uintah Special Meridian;

2. Authorizing up to two (2) producing wells per drilling unit so established; provided no well may be located closer than 460 feet to a shared drilling unit/lease boundary line and no closer than 100 feet if the adjacent lands are within the same lease and have the same production interest owners, without an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation);

- 3. Declaring the existing wells producing from the Subject Formations upon the Subject Lands to be at legal locations notwithstanding the relief requested;
- 4. Expressly ordering that Utah Admin. Code Rule R649-3-11(1.1) is inapplicable to any directionally drilled well on the drilling units so established as long as the productive intervals are within the set backs so established and with the caveat that, if an uphole completion closer than the set back is subsequently proposed, an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation) will be required; and
- 5. Providing for such other and further relief as may be just and equitable under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than October 9, 2013. A party must file a timely written objection or other response in order to participate as a party at the Board hearing.

Natural persons may appear and represent themselves before the Board. All other representation by parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 26th day of September, 2013.

STATE OF UTAH BOARD OF OIL, GAS AND MINING Ruland J. Gill, Jr., Chairman

/s/Julie Ann Carter

**Board Secretary** 

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

## **CERTIFICATE OF PUBLISHED NOTICE**

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2013-028, Cause No. 139-110 to be PUBLISHED in the following newspapers on the following days:

#### October 6, 2013:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

#### October 1, 2013:

<u>Uintah Basin Standard</u>, a newspaper of general circulation in Duchesne and Uintah Counties.

#### October 2, 2013:

<u>Vernal Express</u>, a newspaper of general circulation in Dagget and Uintah Counties.

Julie Am Carter

#### **CERTIFICATE OF MAILING**

I hereby certify that on this 27th day of September, 2013, I caused a true and Correct Copy of the foregoing **NOTICE OF HEARING** for Docket No. 2013-030, Cause No. 270-02, to be served via Email or US Mail properly addressed with postage prepaid upon each of the following:

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